Yukon Economic Strategy Progress Report

Yukon
Economic Development:
Mines and Small Business

YUKON ECONOMIC STRATEGY PROGRESS REPORT

The Yukon Economic Strategy, the Yukon Territorial Government's action plan that resulted from the two year consultative process of Yukon 2000, laid out an ambitious agenda for the territory when it was released in April, 1988. Eighteen months later, significant progress has been made in achieving its objectives. Many major initiatives have been made, and others are about to be.

The resources round table proposed in the Economic Strategy is being combined with the annual review and updating of the Yukon Economic Strategy. This review by public and private interests is to be led by an restructured Yukon Economic Council, now known as the Yukon Council on the Economy and the Environment.

NATURAL RESOURCES

Several steps have been taken over the past year that will lead to a new approach to resource management in the territory. A draft Yukon Conservation Strategy has been developed after extensive consultations with a wide range of Yukoners. This plan is an attempt to balance many goals and interests in order to achieve long-term sustainable development. These include diversifying and stabilizing our economy, integrating all resource management, protecting our unique northern wilderness, earning more local benefits from development, and establishing more local control over resources.

A development assessment process is included in the land claim agreement. It is intended to streamline all federal and territorial regulatory reviews for the Yukon into one system. This process will look at all economic, social, and environmental factors together. It will be designed for a greater local voice in whether projects are approved and what conditions they must meet.

The government has made a priority of the devolution of provincial-type powers over resources: forestry, oil and gas, mining. As these are negotiated, management and use of them will become less complex and responsive to local needs. The responsibility for the fresh water fishery and for mine safety were taken over in the past year by the territory.

Another major step in this direction was achieved last year when the governments of Canada and the Yukon signed an agreement-in principle for a Northern Accord on oil and gas. Negotiations are continuing on the accord itself. It is intended to provide more local involvement in management of oil and gas resources and a share of the revenues when areas like the Beaufort Sea come into production.

The two governments have also made progress on joint land use planning for Yukon regions. In the Kluane area, a local commission has been appointed and is looking at land uses and planning the best uses of different areas. A similar plan has started for the north Yukon region.

FINANCIAL AND BUSINESS SERVICES

The creation of the Business Development Fund was a major action taken in the first year of the economic strategy to improve business and financial services. This fund combines several programs into one process with one application form. Businesses can seek combinations of assistance for feasibility studies, financing, production, marketing, and others.

Rural business and financial services have been strengthened. Several communities have a Business Development Office and others have received funding for economic development workers. A new pilot project in Ross River can be a model for better banking services in smaller communities. The Yukon Government and the Bank of Commerce are working with a local business as a part-time agency for basic services like taking deposits, cashing cheques, and providing application forms. This experiment is unique in Canada.

The land claim framework agreement has a special subagreement on training to help Indian people benefit from the opportunities offered by a settlement.

HUMAN RESOURCES

A Community Development Fund has been created to complement the Business Development Fund. The new fund combines several programs so communities can put together packages that meet their needs. These can include job creation, community planning, loans and venture capital, and training.

Funding for childcare will be more than doubled in the 1989/90 budget, going from $0.9 million to $2.3 million. This will provide more support both for parents and for childcare workers and operators. It includes special incentives to start new non-profit childcare centres and special programs for infants, at-home parents, and extended hours.

An Advisory Committee on Decentralization was started in January, 1989. It is chaired by a former commissioner and includes representatives of the Association of Yukon Communities, the Council for Yukon Indians, the Yukon Chamber of Commerce, and the Yukon Federation of Labour.

Several steps have been taken to improve access to training at Yukon College, including: a childcare centre, a student residence, career counselling, more mobile units, and more support for community campuses.

The Yukon Government is trying to be a model employer by: giving normal benefits to casual employees, expanding the Positive Employment Program, increasing local hire, reducing sex and race stereotyping, and recognizing informal skills in hiring for the public service.

INFRASTRUCTURE

The Home Ownership Program was started in 1988 and boosted to $3.5 million in the 1989/90 budget. It includes a lease/purchase plan, rural mortgage guarantees, several renovation programs for older houses, and financial and technical support for do-it-yourself builders.

The Yukon Housing Corporation also has a new $1 million joint venture program for private land and apartment developers and is continuing its substantial social housing activities in communities.

Major investments are being made in land development. More than $5 million was spent in 1988/89, and more than $8 million is in the 1989/90 budget. Almost $6 million of this is for residential lots. Lands are also being developed in communities for industrial, commercial, recreational, and agricultural uses.

This development is being backed by increased support for sewer, water, and other services. Capital block funding to municipalities is increased to $9 million a year from $7.5 million, beginning in 1989/90. As well, the government is working with several smaller communities on sewer and water systems.

To help communities manage their operations, Yukon College has started a program in municipal and band administration.

Energy costs are being reduced by:

* A new power rate policy that reduces rates, equalizes them to the Whitehorse rate, and freezes them for two years;
* Carrying out several projects to develop local energy sources, such as wood chips and waste wood, geothermal, and microhydro.

A five-year transportation capital plan is being developed in consultation with communities and industries. The 1989/90 budget for highway construction and upgrading includes:

* $7 million for the South Klondike Highway,
* $3 million for the North Klondike Highway,
* $1.5 million for the Campbell Highway, and
* $1.5 million for the Dempster Highway.

The transfer of rural airports and federal highways (Dempster and the South Klondike) to Yukon control is nearly complete. As well, the Regional Resource Roads Program has been expanded to include air and water transportation. Major revisions to the Motor Transport Act have been completed, the Highways Act has been redrafted and will be tabled in the legislature next session, and the Motor Vehicles Act is currently being revised. These revisions will make the Yukon regulations compatible with the rest of Canada.

INFORMATION & TECHNOLOGY

A Yukon Science Strategy has been developed in consultation with the Yukon Science Institute, Yukon College, and the Canada/Yukon Science Committee. The strategy has been approved by Cabinet. Negotiations are to begin with the federal government for money to carry out the strategy.

Yukon College began its unique Northern Studies Program in the fall of 1989. Courses will be offered in northern science, northern justice, Native studies, and northern outdoors and environmental studies. The program received a $1 million endowment from the Yukon Government in 1988.

Telecommunications and broadcasting services are being substantially upgraded throughout the territory. Nine million dollars is being spent to replace the VHF mobile radio system with one that will extend and improve telephone and other communications services. Radio and television reception has been improved in several communities with new equipment.

AGRICULTURE

An overall agriculture policy has been developed by officials in consultation with the industry. An Agriculture Branch is actively assisting the development of this sector.

Several studies and demonstration projects have been funded that will show the viability of agricultural pursuits in the Yukon. Regulations have been passed to allow the inspection and sale of local meat products.

Regional and district land use plans are being developed to identify the best lands available for agriculture. To date, these include the Kluane and north Yukon regions, and the Klondike and Hootalinqua North districts.

All land operations have been put together in one Lands Branch, and a code of fair practice protects the rights of land applicants.

CONSTRUCTION

The 1989/90 capital budget has been reduced from past years in the face of strong private construction activity.

Government tendering practices have been modified to better suit local contractors. Tenders are advertised in the territory first, and closure dates are staggered so firms can bid on several different jobs.

The business incentives policy is being reviewed with the construction industry and rebate-based incentives are being developed to increase the use of Yukon labour, apprentices, and materials.

CULTURAL INDUSTRIES

Plans have been developed to allocate a portion of the budget for some new government buildings to acquire works of art.

The government is still working on an overall culture policy. Other major actions, such as integrating program delivery, will flow from a new policy.

FISHING

Federal management of freshwater fisheries was transferred in May, 1989. The federal government has committed an extra $750,000 over three years to upgrade and do inventories of fisheries and $84,000 for operations and maintenance. A Fisheries section has been established in the Department of Renewable Resources.

A complete study of fisheries laws, policies, and management has been onducted. Public review ended in late 1988, and the government expects to develop a new management regime for Yukon fisheries.

Several studies and projects have been funded to develop fisheries and start commercial production. These include arctic char and other fish farming, lake stocking, and creating new products such as salmon roe.

FORESTRY

The major event for the forestry industry in the first year of the economic strategy was the sale of Hyland Forest Products. The Yukon Development Corporation, a crown corporation, sold half of the Watson Lake mill to Shieldings Investments; the other half is in Yukon hands: 35% with the Yukon Indian Development Corporation and 15% retained for the employees to buy. The new Yukon Pacific Forest Products plans to build a modern $6-million mill with five times the capacity of the old plant, ensuring a long-term industry for the town of Watson Lake.

Forestry management is one of the Yukon's top priorities for devolution from the federal government. Model forestry legislation, including inventories, development, tenure, royalties, and reforestation, is being developed. Funding for some types of forest inventories is provided by the new Canada/Yukon Agreement on Economic Programming.

Training for forestry workers is part of the agreement for the sale of Hyland Forest Products. As much of this training as possible is intended to be done in Watson Lake, on the job and through the Yukon College community campus.

Several successful projects are under way to use waste wood as an energy source.

MANUFACTURING

Several types of support for manufacturing - feasibility studies, marketing, capital and operating loans, venture capital, new technology, commercial use of renewable resources - have been rolled into one overall Business Development Fund (see "Financial & Business Services"). These bus ness programs and several training programs will continue to be available to new and growing manufacturers.

The Business Development Office has hired a trade and investment officer who will be particularly useful for Yukon manufacturers. Work is continuing on the made-in-Yukon marketing campaign.

MINING

The first year of the economic strategy also saw agreement on specific water quality standards for placer mining. This cooperative effort by the industry and the two governments will reinforce the certainty and stability of placer operations.

The Yukon Government is contributing fully to the climate of certainty for mining in the territory by continuing its support for mining programs and for the transportation system.

The government has taken several steps to reduce energy and fuel prices generally, and the mining industry stands to benefit as major consumers.

Despite intensive lobbying with other organizations, the government was only partially successful in keeping flow-through mining share incentives. The tax write-offs were extended and then replaced by direct federal support under a new Canadian Exploration Incentives Program.

OUTFITTING, TRAPPING & GUIDING

Great effort has been made to protect and develop the territory's trapping industry. Time and money have been committed to the pro-fur lobby nationally and internationally. The government is helping to pay for the conversion to more humane trapping equipment and methods in 1989 and 1990. And the fur enhancement program is providing funds and services for trappers.

A large package of amendments to the Wildlife Act has been drafted, to reflect the recommendations of the Legislature's Select Committee on Renewable Resources. A compensation policy has been developed for trappers and outfitters to recover losses from development on Yukon lands.

A pilot program on outfitter and guide training was operated in 1988. Further courses were held in 1989, and are planned for 1990. A diploma program is being developed.

A joint industry and government campaign is under way to market Yukon wilderness experiences throughout North America.

More generally, public education and information about wilderness and wildlife is playing a large role in the development of the Yukon Conservation Strategy.

SUBSISTENCE

An EDA-funded study on native subsistence harvesting has been completed by the Council for Yukon Indians. The land claim framework agreement and its subsidiary agreements reflect native subsistence needs and practices.

A Traditional Knowledge workshop was held in May, 1989. A local conservation strategy for Old Crow and a co-management agreement with the Selkirk Band for the McArthur Game Sanctuary are underway. Indian bands are been funded to collect traditional knowledge for use in developing regional big game management plans.

TOURISM

The 1989/90 budget provides $210,000 for a new joint marketing agreement with British Columbia and Alaska. This is in addition to the Yukon's long-standing joint marketing agreement with Alaska.

Several major projects have been funded under the Canada/Yukon Economic Development Agreement, such as the Anniversaries Commission for the Gold Rush and the Alaska Highway, feasibility studies for a Kluane resort, Mayo accommodations, and a Whitehorse convention centre.

Several regional tourism plans have been developed. Plans are completed for the Silver Trail and Watson Lake areas and are under way for Campbell and Kluane.

TRADE AND SERVICES

Banking services continue to be extended to more rural communities. In addition to the services provided to Mayo and Faro, an agency was started on a contract basis in Ross River in late 1988. This is a cooperative effort among the local business, the Yukon Government, and the Bank of Commerce. If this pilot project is successful, agencies can be opened in other small communities that do not have services now.

The government has taken a number of steps to improve contracting for services. Tenders are advertised locally first in most cases. Consultation is taking place with specific types of service industries, such as travel, air charter, and moving. Advance information is provided on new public works.

The business incentives policy is being reviewed with industry and rebate-based incentives are being developed to increase the use of Yukon labour, apprentices, and materials.

To help Yukon business to benefit from government contracting and purchasing, the Department of Government Services is conducting community tours to explain buying practices, supporting the Buyers' Show and the Trade Show, conducting seminars on contracting procedures and contract law, standardizing contract and tender procedures and consulting with industry regularly on needed revisions, and is establishing a consultant registry and a directory listing firms and the services they provide.

VOLUNTEERISM AND HOUSEWORK

The government's new childcare program, based on the report of the Childcare Consultation Panel meets a much wider range of needs and is backed by substantial new funding. As a result, childcare spaces are expected to double in the next five years, and many other services will be offered.

The Public Service Commission has modified several of its procedures to meet the recommendations in this chapter. Unused spaces in training courses are now offered to community groups. Unpaid experience is recognized in applications and interviews for public services jobs.

The government continues to make appointments to public boards and committees that reflect gender, racial, regional, and political balance.